



U.S. Department of Justice

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**FOR IMMEDIATE RELEASE
June 24, 2010**

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PRESS RELEASE

DRAPER RESIDENT APPEARS IN COURT TO FACE CHARGES RELATED TO FRAUDULENT MASS MAILING SCHEME

SALT LAKE CITY – Ronald Robert Scott, age 45, of Draper, charged in a 24-count indictment returned in late May with mail fraud and money laundering, made an initial appearance in federal court Thursday afternoon.

The indictment alleges that Scott created two fictitious entities, DomainNameUSA.net and Netsolutions.net, which purported to be internet domain name renewal businesses. According to the indictment, Scott obtained mailing lists for small businesses, churches, and other entities throughout the nation that held internet domain names.

He then created and sent invoices from DomainNameUSA.net or Netsolutions.net to the entities on the mailing lists, falsely advising the domain name registrants that their internet domain name was about to expire; the recipient should send a renewal fee along with the invoice back to the address on the invoice; and that the fee was required to renew the domain name's registration and maintain continuous internet service, the indictment alleges. The sham renewal invoices reflected renewal fees

ranging from \$25 to \$199 for renewal periods ranging from one to five years.

According to the indictment, the invoices directed domain name registrants to send payments for the fees to a designated address. These addresses were nothing more than a commercial mail drops Scott had obtained in cities around the country, including Midvale, Utah, New York City, Chicago, and Miami. Scott then had the payments forwarded to either commercial mail drops in Midvale or his home in Draper, the indictment alleges.

The indictment alleges Scott fraudulently obtained more than \$1.8 million in renewal payments from more than 15,000 name registrants across the country during the course of the scheme that began by June 2006 and continued through at least November 2009.

The money laundering counts of the indictment allege Scott used proceeds from the alleged criminal activity to purchase four automobiles.

Scott entered a plea of not guilty to the charges in court today. A trial was set for Aug. 30, 2010, before U.S. District Judge Clark Waddoups. Federal prosecutors did not ask to have Scott detained pending trial. An indictment is not a finding of guilt. Defendants charged in indictments are presumed innocent unless or until proven guilty in court.

The 20 mail fraud counts in the indictment carry potential penalties of up to 20 years per count. The four money laundering counts carry potential 10-year sentences. The indictment also seeks a money judgment of \$1,864,484.51. The case is being investigated by the U.S. Postal Inspection Service and the IRS.

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